INTRODUCTORY STATEMENT

PRESS CONFERENCE

Mario Draghi, President of the ECB,Luis de Guindos, Vice-President of the ECB,Frankfurt am Main, 25 October 2018

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Ladies and gentlemen, the Vice-President and I are very pleased to welcome you to our press conference. We will now report on the outcome of today's meeting of the Governing Council, which was also attended by the Commission Vice-President, Mr Dombrovskis.

Based on our regular economic and monetary analyses, we decided to keep the **key ECB interest rates** unchanged. We continue to expect them to remain at their present levels at least through the summer of 2019, and in any case for as long as necessary to ensure the continued sustained convergence of inflation to levels that are below, but close to, 2% over the medium term.

Regarding **non-standard monetary policy measures**, we will continue to make net purchases under the asset purchase programme (APP) at the new monthly pace of €15 billion until the end of December 2018. We anticipate that, subject to incoming data confirming our medium-term inflation outlook, we will then end net purchases. We intend to reinvest the principal payments from maturing securities purchased under the APP for an extended period of time after the end of our net asset purchases, and in any case for as long as necessary to maintain favourable liquidity conditions and an ample degree of monetary accommodation.

Incoming information, while somewhat weaker than expected, remains overall consistent with an ongoing broad-based expansion of the euro area economy and gradually rising inflation pressures. The underlying strength of the economy continues to support our confidence that the sustained convergence of inflation to our aim will proceed and will be maintained even after a gradual winding-down of our net asset purchases. At the same time, uncertainties relating to protectionism, vulnerabilities in emerging markets and financial market volatility remain prominent. Significant monetary policy stimulus is still needed to support the further build-up of domestic price pressures and headline inflation developments over the medium term. This support will continue to be provided by the net asset purchases until the end of the year, by the sizeable stock of acquired assets and the associated reinvestments, and by our enhanced forward guidance on the key ECB interest rates. In any event, the Governing Council stands ready to adjust all of its instruments as appropriate to ensure that inflation continues to move towards the Governing Council's inflation aim in a sustained manner.

Let me now explain our assessment in greater detail, starting with the **economic analysis**. Euro area real GDP increased by 0.4%, quarter on quarter, in both the first and the second quarter of 2018. Incoming information, while somewhat weaker than expected, remains overall consistent with our baseline scenario of an ongoing broad-based economic expansion, supported by domestic demand and continued improvements in the labour market. Some recent sector-specific developments are having an impact on the near-term growth profile. Our monetary policy measures continue to underpin domestic demand. Private consumption is fostered by ongoing employment growth and rising wages. At the same time, business investment is supported by solid domestic demand, favourable financing conditions and corporate profitability. Housing investment remains robust. In addition, the expansion in global activity is expected to continue supporting euro area exports, though at a slower pace.

The risks surrounding the euro area growth outlook can still be assessed as broadly balanced. At the same time, risks relating to protectionism, vulnerabilities in emerging markets and financial market volatility remain prominent.

Euro area annual HICP inflation increased to 2.1% in September 2018, from 2.0% in August, reflecting mainly higher energy and food price inflation. On the basis of current futures prices for oil, annual rates of headline inflation are likely to hover around the current level over the coming months. While measures of underlying inflation remain generally muted, they have been increasing from earlier lows. Domestic cost pressures are strengthening and broadening amid high levels of capacity utilisation and tightening labour markets. Looking ahead, underlying inflation is expected to pick up towards the end of the year and to increase further over the medium term, supported by our monetary policy measures, the ongoing economic expansion and rising wage growth.

Turning to the **monetary analysis**, broad money (M3) growth stood at 3.5% in September 2018, after 3.4% in August. Apart from some volatility in monthly flows, M3 growth is increasingly supported by bank credit creation. The narrow monetary aggregate M1 remained the main contributor to broad money growth.

The growth of loans to the private sector strengthened further, continuing the upward trend observed since the beginning of 2014. The annual growth rate of loans to non-financial corporations rose to 4.3% in September 2018, from 4.1% in August, while the annual growth rate of loans to households stood at 3.1%, unchanged from the previous month. The euro area bank lending survey for the third quarter of 2018 indicates that loan growth continues to be supported by increasing demand across all loan categories and favorable bank lending conditions for loans to enterprises and loans for house purchase.

The pass-through of the monetary policy measures put in place since June 2014 continues to significantly support borrowing conditions for firms and households, access to financing – in particular for small and medium-sized enterprises – and credit flows across the euro area.

To sum up, a **cross-check** of the outcome of the economic analysis with the signals coming from the monetary analysis confirmed that an ample degree of monetary accommodation is still necessary for the continued sustained convergence of inflation to levels that are below, but close to, 2% over the medium term.

In order to reap the full benefits from our monetary policy measures, other policy areas must contribute more decisively to raising the longer-term growth potential and reducing vulnerabilities. The implementation of **structural reforms** in euro area countries needs to be substantially stepped up to increase resilience, reduce structural unemployment and boost euro area productivity and growth potential. Regarding **fiscal policies**, the broad-based expansion calls for rebuilding fiscal buffers. This is particularly important in countries where government debt is high and for which full adherence to the Stability and Growth Pact is critical for safeguarding sound fiscal positions. Likewise, the transparent and consistent implementation of the EU’s fiscal and economic governance framework over time and across countries remains essential to bolster the resilience of the euro area economy. Improving the functioning of Economic and Monetary Union remains a priority. The Governing Council urges specific and decisive steps to complete the banking union and the capital markets union.

We are now at your disposal for questions.

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Did you discuss downgrading your risk assessment to tilted to the downside? What were the main arguments for and against in the discussion?

Second question is about Italy, as you can imagine. In the past you said, “Look at the facts and not the words”, but the facts have been coming in and then haven't been that good. There's a budget in breach of EU rules; it's been rejected by the Commission. Now with facts on the table, what is your assessment now?

Let me answer the first question; it will require a little time. By and large, the Governing Council discussions you've seen from the introductory statement confirmed the balance of risks and of course didn't take any decision on monetary policy. There was acknowledgement of a somewhat weaker momentum, but in the midst of most eurozone countries – which still have positive output gaps, and slightly expansionary and sometimes in some cases pro-cyclical fiscal policies in some countries. We're talking about a weaker momentum, not a downturn. This is clearly certified by most survey indicators that have come out since the last time we met. But these indicators remain above – and in some cases well above – historical averages and certainly is certified by slower growth. Then the issue is: what are the reasons behind this weaker momentum and these weaker survey indicators? Here we go into a variety of explanations, one of which certainly is country-specific factors; so-called idiosyncratic phenomena. Think about the car sector in Germany. This is having quite a powerful effect for this quarter but not next quarter.

The second is the export performance. Last time we discussed the export performance saying that last year, 2017, had an extraordinary export performance. Now we're coming back to normal and so we had a decline in exports that seems now is reflected in the current weaker momentum, but seems now to have come to a halt. Then of course we have trade uncertainties. We have the stalemate between US and China, with Brexit, with Italy, with financial market volatility, so a bunch of uncertainties. Then we have perhaps the one important part of the explanation; it's simply that we're having growth returning to potential after 2017, where it was clearly above potential.

It's not simple here to distinguish what is transitory from what is going to be permanent, what is country specific from what is extended to the whole of the euro area. What is actually having an impact on consumption and investment and what is not having an impact. For one thing, we still observe consumption; pretty strong, buoyed by an expanding employment, an expanding labour market, rising wages and so business investment. Also the emerging market economy situation seems to have stabilised somehow. All in all, the assessment of the Governing Council was, yes, there is a weaker momentum. Yes, there are weaker survey data coming out and maybe some more expected in the future. But is this enough of a change to make us change the baseline scenario? The answer is no. These risks are not being considered at this point in time enough to change the balance of risks. Now, of course we'll have to see the projections in December and that was also one other consideration. I will elaborate on inflation and monetary policy later.

On Italy, you have to remember that Italy is a fiscal discussion, so there wasn't much discussion about Italy. As a matter of fact, the Vice-President, Dombrovskis, was there and basically, I asked him permission to quote him, to quote what he said. He said, “Of course we have to observe and apply fiscal rules but we're also seeking a dialogue”. I think that's what it is, but then I could answer other questions about the facts.

Still again about Italy. I would like to refer to your recent statement that the Italian situation was not posing any risks of contagion. My question is whether you confirm this statement or whether it has changed.

No, I didn't say there wasn’t any risk of contagion; I said at that point in time there was no sign of contagion. It's different.

Okay, let me also respond to the other part of the question I was asked before about; what are the facts? First let me say, what's the context. The context of our discussion today was, as I said before, the statement by the Vice-President of the Commission, who said of course he has to apply fiscal rules but he's also seeking a dialogue. The second point of context is what I said in the previous press conference in the IMF, during the course of the IMF meetings, is that I'm personally – and that's a personal perception so take it for what it's worth – I am confident that an agreement will be found.

Now let me come to the facts. Interest rates have come up and are coming up. That means the lending rates are going up still moderately, I should say, for households and for firms. It means that households will have to pay more for borrowing from banks and so do companies. Of course in the case of companies that finance, fund themselves issuing bonds, the pass-through from the capital markets to the bond market – to the corporate bond market – is obviously faster. For them, the increase in borrowing rates has been more marked and quicker. Now, all this likely means that it will have effects on credit and ultimately on growth and, by the way, on the very same space that is needed for fiscal expansion. In a sense, if the interest rates keep on going up, the room that is available to expand the budget gets smaller.

As I said, the increases in interest rates have been there now for a while. We've analysed it both from surveys and through direct evidence; these increasing rates. But these increasing rates are not so far – at least banking rates – are not significant, or not material. However we have now the bank lending survey of this quarter. It does say that basically, terms and conditions applied by Italian banks on new loans to enterprises and households for house purchases, tightened. Terms and conditions – so not standards – terms and conditions tightened in the third quarter of 2018, driven by a higher cost of funds and balance sheet constraints.

Now, what about the spillovers? Since the last time I spoke about this, we have observed some increase in interest rates in some other countries, or non-core countries, let's call them this way. Again it's not material but it's been there. And so again the issue is: what's the cause of them; because these countries themselves had specific idiosyncratic phenomena, facts, events that may justify, and have been estimated to justify, some increase in rates. So far we reached I think the conclusion that it's kind of hard to distinguish. There may be some spillovers but they are limited; that's the current assessment and I will keep you posted as the situation will evolve.

Another question on the situation in Italy. There have been some concerns that weaker Italian banks could become capital impaired if the spread with German bonds reaches 400 basis points. Do you think that this could compromise the monetary transmission mechanism? If so, what tools do you see available for repairing that?

My second question is on inflation. What is justifying your confidence on inflation pressures given that core inflation rates have actually disappointed several times this year and, as you've said, there are certain geopolitical risks that seem to be increasing? At what point do you worry that the wage and inflation pressures that we see are going to be short lived?

Let me answer first the second question. The discussion in the Governing Council showed that there isn't much of a change in inflation, really. When we look at surrounding developments, we see that negotiated wages keep on going up. This is a very comforting sign because it means that wage increases – which by the way in some core countries have been quite significant – wage increases are going to stay. They are not temporary, they are not drift determined but they are negotiated wages so they're going to stay. They've been quite, in some countries, significant but in general nominal wage growth is picking up. The other thing is that the labour market keeps on expanding but it's progressively, gradually tighter and tighter. The third thing is that capacity utilisation rates in most countries are pretty high.

Frankly, after all this assessment we have no sense that we should doubt our confidence that inflation is gradually converging to our aim. But having said that, we reaffirm the fact that our monetary policy needs to remain accommodative and a considerable degree of monetary accommodation is still needed. I see that there are lots of concerns – well, not lots; some concerns about APP maybe ending at the end of this year. Let me tell you one thing that I've said on and on and on: even if it were to end, monetary policy will remain very accommodative by the reinvestment, especially the reinvestment of the considerable stock of assets that we have in our balance sheet and our forward guidance about interest rates.

Let me read this about the introductory statement to the sentence. It says, “This support will continue to be provided by the net asset purchases until the end of the year, by the sizeable stock of acquired assets and the associated reinvestments, and by our enhanced forward guidance on the key ECB interest rates. In any event the Governing Council stands ready to adjust all of its instruments as appropriate to ensure that inflation continues to move towards the Governing Council's inflation aim in a sustained manner”. That's what I can say about inflation.

On Italy, I don't have a crystal ball; I don't have any idea whether it's 300 or 400 or whatever. So it's difficult. But certainly these bonds are in the banks' portfolios. If they lose value, they are denting into the capital position of the banks; that's obvious, so that's what it is. As I said, I'm still – I shouldn't say optimistic – but I'm still confident an agreement will be found. But basically, yes, you have a dent in capital position. Then of course you have weakening funding conditions as well and all this is going to translate into different lending terms.

You mentioned that you thought there would be a deal between Italy and the EU. Do you sympathise at all with what Italy's argument is; that it needs more budget flexibility, given also that its budget deficit is still planned to be below 3% – even if that isn't how the Commission sees it? Do you sympathise with their argument?

The second question is on the rise in market interest rates in Italy and Spain and Portugal. How much of that do you think can be traced to the end of QE in December? What would it take for the ECB to extend – what would the ECB need to see to extend QE into next year?

Now, first the last question. We haven't talked about any extensions. As you've seen, the language is exactly the same as before. As I said a moment ago, you have to consider: the monetary policy will remain very accommodative even in case we were to decide to end QE at the end of the year. Now, will the end of QE put pressure on spreads? By and large, but let me say first one thing, let me repeat one thing: over the past few months we have not bought Greek bonds, but we have bought Italian bonds. Still in spite of that, we saw that the spreads between Greece and Italy narrowed down. In the case of a suspension of QE, you would expect that spreads are going to be affected depending only on the net issuance of different countries. That's the answer. So if countries were having the same degree of issuance, the same net issuance, you wouldn't see any change in spreads. The end of QE is not a selective measure addressed to any specific country; it's a monetary policy measure that is justified by our confidence in the convergence of inflation to our aim.

Now, the first question is whether I have sympathy for this or that. I don't know what to respond with that. We have the Commission; the Commission is the ultimate guardian of the Stability and Growth Pact, not the ECB.

I have a question about Spain: the Spanish High Court has decided that the banks have to pay the stamp duty of a mortgage and not the customers. What do you think about it? Do you expect an impact on the profitability of the Spanish banks?

I will completely defer the answer to the Vice-President of the ECB.

Luis de Guindos: Well, we do not comment on any sort of ruling from the courts. We respect the rulings from the Supreme Court of Spain.

Would it be possible to get some sense of what exactly the options are for the Governing Council should the news flow remain as poor as it has over the past.

Should the news flow, should the data continue to be bad, should the market turmoil continue, should relations between Rome and Brussels worsen and you are forced to downgrade your assessment for the outlook. It seems as though there's a very high bar to continuing to expand QE past the end of this year. Are you starting to talk about what you could do with reinvestments or what you could say on the path of interest rates?

For my second question, both the European Central Bank and the Federal Reserve seem to be coming under a lot of political pressure to keep all of your monetary stimulus in place or provide more stimulus, even. What would you say to the lawmakers that are really mounting on both sides of the Atlantic quite a fierce challenge to your operational independence?

The answer to the first question is that we haven't discussed what we're going to do next. As I told you last time, we had two meetings before the end of the year and we didn't discuss anything in this meeting so we're going to discuss in the next meeting, where we'll also have the projections, which will also cast some more light on what's going to happen next. We do think that we still have tools in our toolbox that we can use, different contingencies. We have not discussed any one of them today. The TLTRO was raised by two speakers only but not in any detail, but this is just an example of how the toolbox is still quite rich in terms of monetary policy instruments.

On the second question you had, what I would answer, I would answer that central bank independence is a precious thing. It's precious because it's essential for the credibility of the central banks. Credibility is essential for effectiveness, so central bank independence in terms of how to comply and deliver their mandates – which in our case is price stability – and central bank independence in choosing the instruments that are more appropriate or most appropriate to pursue this objective, is crucial for the effectiveness of monetary policy. If one thinks about that, one would conclude that actually the legislators themselves, often the very same people who are arguing for the central banks to do this and that, should be the first ones to care about monetary policy effectiveness and central banks reaching their goals, pursuing their mandates.

Two questions, if I may. If I'm right, next year there will be a new calculation of the capital key, with probably an increasing weight of Germany and a decreasing weight of Italy. What consequences does it have for the reinvestment programme next year?

The second question concerning Italy: do you see a danger that the ECB will come under a kind of fiscal dominance from Italy? Or is Italy still in the heads of the ECB Council and its meetings?

Now, answering the second question first, we don't see such a risk. This links with the previous question about central bank independence. Central bank independence is predicated on monetary dominance, not on fiscal dominance. To finance government deficits is not part of our mandate. Our mandate is price stability. Of course, as you will remember from the previous crisis, we have OMT as a specific instrument. Other than that, we are in a regime of monetary dominance.

The first question is about the capital key. We haven't discussed that in the meeting, but just keep in mind – and you are right –there's a capital key readjustment at the beginning of the year. There's also another capital key adjustment with Brexit, so that's also to be kept in mind. But we haven't, basically, discussed any of them.

The ECB is giving a lot of forward guidance on rates, on QE, on reinvestments; this is a little bit in contrast to previous times and the never pre-commit era. My question is; how much guidance can and should the ECB give, especially in times of high uncertainty?

The second question: you again mentioned progress in strengthening of the euro area. There was little progress on this front. How frustrated are you by that fact? How worried are you that the discussion we have about Italy might even limit the willingness to move forward?

Forward guidance on interest rates, you remember it started in 2013, if I'm not mistaken, and then it evolved. It became guidance on asset purchases and reinvestments, so it has served us very well. It has kept anchored the short-term part of the yield curve while the QE was actually addressing the long-term part of the yield curve. Contrary to – or let me put it this way – better than the experience in other jurisdictions, it has served us very, very, very well. You look at the amount of volatility and there are all kinds of indicators showing that it's been very successful. All in all, credible guidance does reduce uncertainty. Then of course we always discuss whether this should be state contingent, or data based – or both – as it is in our case. By and large, our experience has been quite positive with guidance.

Now, the second question is how frustrated – well, it’s not a matter of being frustrated but the fact is that our monetary union remains fragile if it's not completed. When I say completed, I mean the Banking Union, I mean the Capital Market Union, I mean the fiscal capacity, the design of fiscal capacity. All these things by the way are intertwined because the better it is the Capital Market Union, probably the less need we have for a big fiscal capacity. To make progress on this we need, I would say, by and large the right political contingency. It's not something that central bankers or Eurocrats can push forward by themselves. These are big changes very often in the way powers are being distributed between national parliaments and national executives and European authorities, or even without an authority, European rules. At this point, my sense is we've got to be patient because we are not driving the political developments; we are part of them.

I have two questions. You didn't discuss the reinvestments, but I was wondering whether the Governing Council could at any stage consider a possibility to change the capital key as the guiding principle of the APP, given the APP is one of its tools. Just given to the new capital key, if the GDP of a country grows it has actually more APP so kind of a more easing policy. If the GDP of a country shrinks actually it has – I won't say tightening – but less easing. That's something to think about. I don't know if you're going to.

The other question is actually there again on Italian banks, just because the Italian government is really outspoken about its worries about the spread and Italian banks. Could you say, what are the tools, what can the ECB – but most of all a government – do in a world which is a BRRD world now?

As far as the second question is concerned, namely what can one do as far as banks are concerned given the widening of the spreads that has taken place in the last five/six months. There may be other answers, but the first answer that comes to mind is: first of all reduce the tone and don't question the constitutional, existential framework of the euro. The second is reduce the spreads, so do policies that lead to a reduction in the spreads.

Now, on the first point about the capital key, no, we haven't discussed. I'd be surprised if we were to use a different concept other than the capital key. We used that for a long time now with the asset purchases and so I'd be surprised. But as I said, we haven't discussed that, but you correctly say that there is a strange pro-cyclicality here between the revision of the capital key and the economic situation of a country. True, but these adjustments to the capital key happen every five years. In a sense, it's just a country happens to have a lower GDP because of a variety of reasons that may have nothing to do with cyclical stimulus.

I have a question on Brexit. It seems that the whole world is preparing for a worst case scenario. What is the ECB doing in terms of contingency planning? If you haven't discussed any of these topics – we were asking you whether you have discussed it – what have you discussed?

As you know, I think I've said a few times, we are not party to the negotiations and so everything will depend on what is the final outcome of the negotiations. We certainly are monitoring and working together with the Bank of England to identify potential risks of a sudden hard Brexit event. But let me repeat what I think I said in the European Council: it would really take an extraordinary amount of lack of preparation to materialise the financial stability risks that might come from a hard Brexit. By and large, I'm still confident that a good common-sense solution will be found where financial stability risks will be minimised. I should also warn about another possibility. If this lack of outcome of solution will continue and will approach the end date, the private sector itself will have to prepare on the assumption that there will be a hard Brexit. I wouldn't call it necessarily big financial stability risk, but certainly financial uneasiness in markets and intermediaries and CCPs and their member banks and so on.

On OMT, would you be able to do anything?

We won't speculate on that. If you ask me what's available, that's what's there.

One quick question on the Commission proceeding. Would it be counterproductive, possibly, to enforce the rules against Italy? It might make the deficit worse if you fine them and, with the view to the European Parliament elections coming up, just motivates the anti-European sector of the electorate even more. Can the rules be enforced? Would it be counterproductive to enforce them?

I think you're asking very good and very serious questions, but I am not the one who should answer these questions; I think you should ask them to the commissioners.

As a follow-up to my colleague's question just now about OMT, Italian politicians seem to have an expectation that if the spread rises too much, the ECB will somehow intervene. That's why I wanted to ask the following: in case the ECB in any future crisis surrounding Italy would – or any other country –feel the need to intervene by purchasing sovereign debt of individual member states, would the OMT programme really be the only available tool? Or would there still be a way conceivable to do it outside the OMT programme?

Now, we are talking about the specific situation. What is available for the ECB towards a specific country is OMT. The OMT, as you remember, is subject to having a programme with ESM and is also subject to the assessment by the Governing Council of the ECB that the undertaking of the OMT doesn't prejudge the monetary policy for the whole of the euro area, but that's what's there. Our mandate, as I said before, is a mandate towards price stability, not towards financing governments' deficits or adhering to a fiscal dominance situation.

You have mentioned the spread between the Greek and the Italian bonds that – which is now less than 70 basis points. I don't know if you consider this to be a fair valuation considering what we have seen. There's a rating difference between the two bonds.

As I said before, we don't have a crystal ball here to say what's fair or what's not fair. By the way, that's also one of the reasons why usually central banks don't target specific rates because it's very, very difficult to assess what is a fair or equilibrium rate.

One of your colleagues recently remarked that assets might be mispriced and bubbles may be building up, and also urged market participants not to become, "Too lazy to prepare for less

convenient times". Do you share those concerns?

Secondly, having left discussion on reinvestment until December, what happens if you can't build consensus?

Well, how could I not share what this colleague of mine has said? I've got to be prepared of course and whether there are bubbles or not is a different thing, it's a difference assessment. We have to look at specifically the situation of the eurozone. There are certain segments of financial markets, like prime commercial real estate and high-yield or leverage corporate, where the valuations are actually stretched according to any standard. Other segments don't look especially stretched. Most importantly, we don't see that buildup of leverage that we'd seen before the crisis. As a matter of fact, the private financial sector is not overleveraged. In fact this is one of the reasons why - even in the face of one-off events, that on other occasions would have led us to say that there would be trouble in the financial markets, enhanced volatility, interest rates going up, take the case of Brexit, take the case of elections in Europe here and there. People were expecting serious consequences on financial markets - it didn't happen. And it didn't happen for two reasons. First of all, because monetary policies remained accommodative throughout and second, because the private financial system not being over-leveraged was able to continue giving credit to the economy. I think this is one important aspect. Now, of course we have to monitor carefully. That's why we should not be – as I think almost all my colleagues always say – complacent.

Italy has already been downgraded by Moody's to one notch above investment grade. What would happen if, some time in the future, all four ratings agencies lowered Italy to below investment grade and that would mean then that Italian banks could not use their government bonds as collateral at the ECB? Have you considered that scenario, and what tools would you have to help the banks?

Second question, if I could, is: you've said you were very confident about a compromise…

No, I'm sorry. I didn't say very confident. I said confident.

Okay. My question is; why are you confident? Do you know something we don't about some kind of scenario in the works?

No.

Would you ever consider playing some kind of mediating role, given your knowledge of Italy?

The answer to your last question is absolutely no, it's not our job. I started all this discussion saying this is a fiscal discussion and it's not the central bankers' job to play the mediating role. There is nothing I know more than what you do know. I think in the end it's just good common sense, perception of what is the goodness for the country and the interests of the public, of the households, of the people that will lead parties to converge to some sort of agreement.

Now, the first question is, what if. We don't know. What you said is absolutely correct: if there were a situation where there would be a sequence of downgrades of the four rating agencies and so on, there are rules in place that would actually do what you just said. But I wouldn't speculate more than that about saying what if.

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